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2005 JUNIOR OLYMPIC GAMES, INC.
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-16-06

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Member

American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
2005 Junior Olympic Games, Inc.
New Orleans, Louisiana

We have audited the accompanying statement of financial position of the **2005 Junior Olympic Games, Inc.** (a non-profit organization) as of December 31, 2005, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the **2005 Junior Olympic Games, Inc.** Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **2005 Junior Olympic Games, Inc.** as of December 31, 2005, and the changes in its net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
2005 Junior Olympic Games, Inc.
New Orleans, Louisiana
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated March 27, 2006 on our consideration of **2005 Junior Olympic Games, Inc.'s** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the report (shown on page 10) is presented for the purpose of additional analysis and is not a required part of the financial statements of **2005 Junior Olympic Games, Inc.** Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all materials respects in relation to the financial statements taken as a whole.



BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 27, 2006

2005 JUNIOR OLYMPIC GAMES, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2005

ASSETS

Cash and cash equivalents (NOTE 2)	\$1,036,151
Other receivables	<u>32,669</u>
Total assets	<u><u>\$1,068,820</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 133,912
Note payable	<u>255,056</u>
Total liabilities	<u>388,968</u>
Net Assets (NOTE 2):	
Unrestricted net assets	<u>679,852</u>
Total net assets	<u>679,852</u>
Total liabilities and net assets	<u><u>\$1,068,820</u></u>

The accompanying notes are an integral part of these financial statements.

2005 JUNIOR OLYMPIC GAMES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Revenues and Other Support

Ticket sales	\$ 447,881
Entry fees	631,234
Sponsorship	50,000
Grant revenue	1,252,474
Merchandising revenue	221,321
Hotel rebates	191,240
Miscellaneous	<u>16,658</u>
Total revenues and other support	<u>2,810,808</u>

Expenses

Program services	1,938,285
Support services	<u>192,671</u>

Total expenses 2,130,956

Change in net assets 679,852

Net assets, beginning of year -0-

Net assets, end of year \$ 679,852

The accompanying notes are an integral part of these financial statements.

2005 JUNIOR OLYMPIC GAMES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

Cash Flows From Operating Activities

Changes in net assets	\$ 679,852
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Increase in receivables	(32,669)
Increase in accounts payables	133,912
Increase in note payable	<u>255,056</u>
Net cash provided by operating activities	<u>1,036,151</u>
Net increase in cash and cash equivalents	1,036,151
Cash and cash equivalents, January 1, 2005	<u>-0-</u>
Cash and cash equivalents, December 31, 2005	\$ <u>1,036,151</u>

The accompanying notes are an integral part of these financial statements.

2005 JUNIOR OLYMPIC GAMES, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization:

The **2005 Junior Olympic Games, Inc. (the Games)** was organized in 2004 as a non-profit organization to foster national sports competition. Also, **the Games** was organized to provide any ideas and support necessary to assist in the coordination and production of the **2005 Junior Olympic Games**. **The Games** is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Reporting

The Games has adopted SFAS No. 117 which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions.

2005 JUNIOR OLYMPIC GAMES, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Principles of Accounting, Continued

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of **the Games** are included in this category. **The Games** has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of **the Games** and therefore, **the Games'** policy is to record these net assets as unrestricted.

Temporarily restricted net assets include realized gains and losses, investment income and gifts, appropriations and contributions for which donor imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

At December 31, 2005, **the Games** did not have any temporarily or permanently restricted net assets.

2005 JUNIOR OLYMPIC GAMES, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Cash and Cash Equivalents

Cash consist solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows. All deposits are secured by federal deposit insurance.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 3 - Related Party Transactions:

Certain board members of **the Games** are also board members of the Greater New Orleans Sports Foundation. **The Games** has contracted with the Greater New Orleans Sports Foundation to manage and handle the administrative functions of hosting the 2005 Amateur Athletic Union Junior Olympic Games. The Greater New Orleans Sports Foundation provides office space, meeting space, utilities, and use of all office furniture and equipment, as well as providing any and all personnel needed to host the 2005 Junior Olympic Games. In January 2006, the board of **the Games** passed a resolution to dissolve the company and transfer assets, liabilities, and profit tot he Greater New Orleans Sports Foundation.

2005 JUNIOR OLYMPIC GAMES, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Concentration of Credit Risk:

Financial instruments that potentially subject **the Games** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions.

NOTE 5 - Fair Value of Financial Instruments:

The estimated fair value of all significant financial amounts have been determined by **the Games** using available market information and appropriate valuation methodologies. **The Games** considers the carrying amounts of cash and cash equivalents, and accounts receivable to be the fair value.

NOTE 6 - Hurricane Katrina

The Games was adversely affected by Hurricane Katrina which occurred on August 29, 2005. **The Games** does not believe that the impact of the Hurricane will have an adverse affect on subsequent years' support and revenues.

The Games believes that the disruption in operations will not affect its ability to make timely debt payments, and believes it will continue as an ongoing entity.

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
2005 Junior Olympic Games, Inc.
New Orleans, Louisiana

We have audited the financial statements of the **2005 Junior Olympic Games, Inc. (the Games)** as of and for the year ended December 31, 2005, and have issued our report thereon dated March 27, 2006. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether **the Games'** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **the Games'** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management and the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 27, 2006

2005 JUNIOR OLYMPIC GAMES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2005

We have audited the financial statements of **2005 Junior Olympic Games, Inc.** as of and for the year ended **December 31, 2005**, and have issued our report thereon dated **March 27, 2006**. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of **December 31, 2005** resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	
Material Weaknesses/Reportable Conditions	No

Compliance	
Compliance Material to Financial Statements	No

b. Federal Awards
Not Applicable

c. Identification of Major Programs
Not Applicable

Section II - Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

NONE

Section III - Findings and Questioned Costs Related to Federal Awards:

Not applicable